MCI WORLDCOM

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1801 Pennsylvania Avenue, N.W. Washington, DC 20006 202 872 1600

October 18, 1999

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OCT 1 8 1999

FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas Secretary Federal Communications Commission 445 12th Street S.W. Washington, D.C. 20554

Re: Calling Party Pays Service Offering in the Commercial Mobile Service, WT Docket No. 97-207

Dear Ms. Salas:

Enclosed for filing is an original and four (4) copies of MCI WorldCom, Inc's reply comments in the above-captioned proceeding.

In addition, please stamp the enclosed file copy and return to bearer.

Sincerely,

Elizabeth Yockus

(202) 887-3087

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Before the FEDERAL COMMUNICATIONS COMMISSION Washington, DC 20554

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In the Matter of:	OCT 1 8 1999
Calling Party Pays Service Offering in the Commercial Mobile Radio Services	WT Docket No. 97-207 FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

MCI WorldCom, Inc. Reply Comments

I. Introduction

The initial round of comments concentrate on the issue of notice to consumers calling a Calling Party Pays (CPP) service. While consumer notice of a CPP mechanism is important, there are a number of decisions that the Federal Communications Commission (Commission) must address before CPP can become a viable service. One of the vital issues which the Commission needs to address is how call compensation will flow. Related to compensation, decisions must be made about how carriers can recognize the calls as CPP calls and charge their customers accordingly. Without the Commission addressing how call compensation flows and how carriers will recognize CPP calls and charge them back to the caller, CPP will simply not be feasible.

II. The Commission needs to Develop a Specific Proposal Resolving the CPP Call Recognition and Compensation

The Commission has not provided a proposal for how CPP will function. Without a specific proposal from the Commission, parties have only commented on random issues associated with CPP. Commenters discussed issues ranging from: who is in privity with the CPP provider, blocking CPP calls, notification messages or tones versus various numbering alternatives

and 1+ dialing, billing and collection, fraud prevention, preemption of state authority, rate regulation, the truth-in-billing requirements, and method or point of interconnection. While these are all valuable discussions they are more effectively discussed within the context of a specific proposal.

A. Specific Referrals to the North American Numbering Council Are Necessary

In the initial round of comments the parties have offered a variety of methods for how consumers and carriers would be able to recognize a call as a CPP call. Many of the proposed solutions discuss designated NXXs or Numbering Plan Area Codes (NPAs). MCI WorldCom's Comments discussed the impact of CPP on U.S. International carriers, who would be unable to recognize and charge back the CPP charges to the foreign carrier. A designated NPA may be a potential solution to this problem. Such a NPA would raise a host of issues ranging from administration to the impact on the projected exhaust of the North American Numbering Plan (NANP). The Commission should consult with the North American Numbering Council (NANC) to assist in determining the most applicable and workable solution. Nortel offers a Location Routing Number (LRN) proposal that needs further development and industry

¹MCI WorldCom Comments at 12-15.

²A North American Numbering Plan Administration Study projects that if no actions are taken to improve the efficiency with which exchange codes are used, the NANP will exhaust sometime between 2008 and 2012. North American Numbering Plan Exhaust Study Submitted by: North American Numbering Plan Administration (NANPA), Lockheed Martin CIS April 22, 1999. Filed with the FCC May 17, 1999.

comment.³ Additionally, Nortel also suggests a Line Information Database (LIDB) function which they claim could be incorporated into the CPP systems in order to allow PBX systems to block CPP calls.⁴ This also merits development and industry review. MCI WorldCom believes that both Nortel proposals are interesting and should be referred to NANC for further review. However, because of the possible impact the proposed systems may have on the numbering resource the matter should be referred to NANC for further review.

B. Call Compensation Issues Need Resolution

Commenters in the initial round did not address the same plan and no clear system for call compensation emerged. The Commission needs to clarify whether compensation will flow from billing agreements between carriers or a Commission prescribed method. If the call compensation needs to come from billing agreements, then the CPP providers would need to have billing arrangements with every carrier. If the CPP provider did not have an arrangement with the caller's carrier, then the call would need to be blocked, thus diminishing the value of the CPP service. This problem intensifies if the caller's carrier is not directly connected to the CPP provider because the call would need to be routed through the Incumbent Local Exchange Carrier (ILEC) network and an agreement would need to be in place between the caller's carrier and the ILEC, so the caller's carrier would receive the information it needed to charge the call to the caller. When a call originates internationally the problem is intensified even further. As was

³Nortel Networks, Inc. Comments at 6-7.

⁴Id at 7.

discussed in greater detail in the MCI WorldCom Comments, when a person in another country wants to call a person with a wireless phone in the United States, the call goes from the foreign (originating carrier) to a U.S. International carrier, then to the ILEC, and then finally, to the CMRS provider. In order for call compensation to flow correctly all the carriers that handle the call would need to be able to pass the charge off to the carrier who handed the call to them. Because US International carriers and the foreign carriers do not currently have agreements for a system where additional charges will be charged back to the foreign carrier, the foreign carrier may refuse to pay additional charges for CPP calls when neither the caller, nor the foreign carrier, have any way of determining that the call is to a CPP subscriber. This would leave U.S. International carriers to bear the costs of the CPP calls which originated outside the country and which they carried to the ILEC. If U.S. International carriers are forced to bear these additional costs they may have to raise their rates in other areas and U.S. consumers as a whole will suffer. MCI WorldCom believes that a designated NPA would solve this problem by allowing foreign carriers to recognize CPP calls and charge accordingly. However, a designated NPA depletes the numbering resource. For this reason, the issue should be reviewed by NANC.

Additionally, there are other issues that the Commission needs to address surrounding call compensation. At least one commenter raises the question of who pays for the transportation of a call to the CPP provider's network when the calling party terminates the call after recognition that

Reply Comments of MCI WorldCom, Inc

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the call will incur additional charges.⁵ This issue also needs to be addressed by the Commission

before CPP will be a workable service.

IV. Conclusion

In conclusion, MCI WorldCom argues that the Commission needs to develop a specific

proposal to determine how a CPP service would be recognized by other carriers. Furthermore,

the Commission needs to develop a method for how call compensation should flow. With respect

to potential use of numbering resources, the Commission should refer its proposal to NANC for

study and comment.

Respectively submitted,

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Date: October 18, 1999

⁵ AT&T Comments at 8.

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CERTIFICATE OF SERVICE

I, Vivian Lee, do hereby certify that copies of the foregoing Reply Comments of MCI WorldCom, Inc. In the Matter of Calling Party Pays Service Offering in the Commercial Mobile Radio Services were sent, on this 18th day of October, 1999, via first-class mail, postage prepaid, to the following:

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